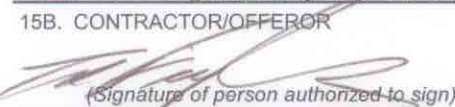



AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE		PAGE 1 OF 1 PAGES	
2. AMENDMENT/MODIFICATION NO. A102		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)
6. ISSUED BY U. S. Department of Energy Office of Civilian Radioactive Waste Management 1551 Hillshire Drive Las Vegas, Nevada 89134-6321		7. ADMINISTERED BY (If other than Item 6)		CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Bechtel SAIC Company, LLC 1180 Town Center Drive Las Vegas, Nevada 89144				(X) 9A. AMENDMENT OF SOLICITATION NO.		
				9B. DATED (SEE ITEM 11)		
				10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC28-01RW12101		
				10B. DATED (SEE ITEM 13) November 14, 2000		
CODE		FACILITY CODE				
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS						
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.						
12. ACCOUNTING AND APPROPRIATION DATA (If required) N/A						
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT /ORDER NO. AS DESCRIBED IN ITEM 14.						
CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).					
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Bilateral modification; Mutual agreement of the parties.					
	D. OTHER (Specify type of modification and					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>3</u> copies to the issuing office.						
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) The purpose of this modification is to incorporate the results from the recent contract negotiations for the second year of the contract option period, April 1, 2007 through March 31, 2008, which resulted in one Performance Based Incentive and its associated fee. Modification A101 incorporated the estimated cost of the second year of the contract option period in the amount of \$294,995,000. Therefore this modification increases the total contract value by \$29,100,000, which is the negotiated available fee, from \$2,376,275,648 to \$2,405,375,648. As a result, Section B of the contract is replaced in its entirety and is attached to this modification as Attachment 1.						
In addition, this modification incorporates the revised Performance Evaluation and Measurement Plan, Rev. 12 into Section J "List of Documents, Exhibits, and Other Attachments", as Appendix J of the contract, which includes the new Performance Based Incentive (PBI-1) for the contract period, April 1, 2007, through March 31, 2008. Appendix J of Section J is replaced in its entirety with Attachment 2 of this modification.						
This modification also, corrects previous modification A101, which erroneously identified year two of the option period through March 30, 2008. Therefore, Modification A101, Page 2 of 3, number 1, should read through March 31, 2008.						
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.						
15A. NAME AND TITLE OF SIGNER (Type or print) Ted C. Feigenbaum, President & General Manager				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Birdie Hamilton-Ray, Contracting Officer		
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)		15C. DATE SIGNED 3/30/07		16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)		16C. DATE SIGNED 3/30/07

PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COST

PART I - THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COST

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PART I - SECTION B

SUPPLIES OR SERVICES AND PRICES/COST

B.1 SERVICES BEING ACQUIRED

The Contractor shall, in accordance with the terms of this contract, provide the personnel, materials, supplies, and services (except as may be expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, providing its best efforts so as to carry out in an efficient and cost-effective manner all necessary related services to manage the programs and operate the facilities as described in the Statement of Work in Section C of this Contract.

B.2 OBLIGATION OF FUNDS

The total amount of funds obligated under this contract, in accordance with Section I, Contract Clause DEAR 970.5232-4, entitled, "Obligation of Funds," is \$1,613,442,848.92.

B.3 ESTIMATED COST AND FEE

a. Estimated Cost for Transition Period and Phase-in Period

- (1) The transition period (effective date of award to February 11, 2001) will be on a cost reimbursement basis and the estimated cost is \$9,579,862. There will be no fee paid for the transition period.
- (2) The phase-in period (February 12 to March 31, 2001) will be on a cost reimbursement basis and the estimated cost is \$23,154,000. There will be no fee paid for the phase-in period.

b. Estimated Contract Value

- (1) The following is the estimated contract cost for the base contract period and the first and second year of the option period based upon the annual appropriation and out year funding requirements identified in the Civilian Radioactive Waste Management Program Plan, Revision 3, and the Total System Life Cycle Costs.

FY 01	\$ 156,483 K
FY 02	\$ 246,170 K
FY 03	\$ 366,879 K
FY 04	\$ 367,478 K
FY 05	\$ 335,506 K
FY 06 (6 months)	\$ 162,148 K
First Year of the Option	\$ 308,164 K
Second Year of the Option	<u>\$ 294,995K</u>
	\$ 2,237,823 K

- (2) The maximum fee made available for PBIs and Award Fee Incentive for the base performance period 04/01/01 to 03/31/06 was \$120,147,878.

- (3) The amount of fee made available for the first year of the option performance period 04/01/06 to 03/31/07 was \$18,303,770.
- (4) The amount of fee available for the second year of the option performance period 04/01/07 to 03/31/08 is \$29,100,000.

c. Maximum Total Available Fee and Fee Allocation

The maximum fee available for the performance period 04/01/07 to 03/31/08 shall be associated with one Performance Based Incentive (PBI), incorporated by Section J, Appendix J, Performance Evaluation and Measurement Plan, Revision 12. No award fee Special Emphasis Areas apply to the second year of the contract option period.

- (1) Adjustments to award fee may occur subject to:

The Section I, Contract Clause I.34, DEAR 970.5215-3, entitled, "Conditional Payment of Fee," is applicable.

- (2) In the event the Annual Appropriations estimated in B.3.b above deviates for any fiscal year more than plus or minus 10% from the base set forth in b above, the Contractor agrees to negotiate with DOE, pursuant to the Section I, Contract Clause DEAR 970.5243-1, entitled, "Changes," an equitable adjustment to the contract, which may include the maximum total available fee amount, PBIs, award fee (to include SEAs), allocation of fee to PBIs, to reflect the impact of such deviation. In the event the parties are unable to reach agreement on the maximum available fee amount, the Government reserves the right to unilaterally establish the maximum available fee amount.
- (3) Changes to the fee pool, funding levels, or milestones identified in this clause may be made with the occurrence of any of the following (a) through (c).

- (a) Assumptions:

The milestone, budgets, and requirements are based upon a set of assumptions which the Office of Civilian Radioactive Waste Management (OCRWM) is currently operating under. Should the basis for those assumptions change, the milestone, budgets and/or requirements may also change. Assumptions which do not impact level 2 or higher milestones will not change the fee pool or performance based milestones. A discussion of milestone levels is contained in the Civilian Radioactive Waste Management Major System Management Policy.

- (b) Funding Levels:

OCRWM has established funding levels and/or Total System Life Cycle Costs necessary to meet the program mission. Annually, budget requests are submitted to Congress to support the program. If Congress does not appropriate sufficient funds to support the program mission, DOE may change the milestone and/or requirements to stay within the appropriated funding. Any time the actual funding varies plus or minus 10 percent of the requested funding level upon which the fee pool is based, a change to the fee pool amount and related requirements and/or milestone may be

processed through the change control system to change the baseline with a possible change to the contract and the PEMP.

(c) Beyond the Control/Influence:

There are certain instances when changes to program mission, milestones and/or requirements may be beyond the control / influence of either the DOE or the Contractor. Some examples may include: litigation and legislation, expanding the repository to include more fuel than currently defined in legislation, acceptance of fuel earlier than anticipated, changing the radiation standards, etc. Additionally, decision-makers (to include DOE, the Executive Branch, the Congress, regulatory agencies) may or may not make timely reviews, approvals or decisions based on circumstances outside the control/influence of the contractor.

Examples of instances within the contractor's control or influence are quality and completeness of the documents submitted and quality, completeness and timeliness of the contractor's response to questions/concerns/issues with documents submitted.

B.4 AVAILABILITY OF APPROPRIATED FUNDS

Except as may be specifically provided to the contrary in Section I, Contract Clause DEAR 952.250-70, entitled, "Nuclear Hazards Indemnity Agreement," the duties and obligations of the Government hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which the DOE may legally spend for such purposes.

PART III – LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

SECTION J

LIST OF ATTACHMENTS

PART III**SECTION J****LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS****LIST OF ATTACHMENTS**

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Appendix B – Special Financial Institution Account Agreement for Use With the Payments Cleared Financing Agreement	5
Appendix C – Small Business Subcontracting Plan	1
Appendix D – Key Personnel	1
Appendix E – List of Applicable Directives	11
Appendix F - Sensitive Foreign Nations Control	4
Appendix G – Performance Guarantee Agreement	2
Appendix H – Guidance for Preparation of Diversity Plan	2
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PART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS
SECTION J – LIST OF ATTACHMENTS

APPENDIX J – PERFORMANCE EVALUATION AND MEASUREMENT PLAN (PEMP)

Revision 12

**DEPARTMENT OF ENERGY
OFFICE OF CIVILIAN
RADIOACTIVE WASTE
MANAGEMENT**

**Performance Evaluation and Measurement Plan
for
Bechtel SAIC Company, LLC
Contract DE-AC28-01RW12101**

**Performance Period:
April 1, 2007 through March 31, 2008**

REVISION 12

**DOE OCRWM PERFORMANCE EVALUATION AND MEASUREMENT PLAN
BECHTEL SAIC COMPANY, LLC – CONTRACT DE-AC28-01RW12101**

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**DOE OCRWM PERFORMANCE EVALUATION AND MEASUREMENT PLAN
BECHTEL SAIC COMPANY, LLC – CONTRACT DE-AC28-01RW12101**

ACRONYMS

BSC.....Bechtel SAIC Company, LLC
DOE/HQ DOE Headquarters
FDO..... Fee Determination Official
FY Fiscal Year
OCRWM..... Office of Civilian Radioactive Waste Management
PBI.....Performance Based Incentive
PEB Performance Evaluation Board
PEMP Performance Evaluation and Measurement Plan
SEA..... Special Emphasis Area

A. INTRODUCTION. This Performance Evaluation and Measurement Plan (PEMP) defines the Office of Civilian Radioactive Waste Management (OCRWM) approach in evaluating, documenting, and providing performance fee to Bechtel SAIC Company, LLC (BSC), in the execution of requirements defined in Contract DE-AC28-01RW12101. This PEMP is for the second year of the contract option period of performance from April 1, 2007 through March 31, 2008. References to award fee Special Emphasis Areas (SEAs) in this PEMP (Rev. 12) are not applicable for Option Year 2.

1.1 PEMP Objectives

- 1.1.1 Provide OCRWM with a mechanism to achieve its highest priority objectives;
- 1.1.2 Provide incentive to BSC to accomplish OCRWM's management and program objectives through the establishment of critical performance objectives and measures.
- 1.1.3 Reward BSC with fee commensurate with the achievement of the specific OCRWM performance requirements;
- 1.1.4 Create an administratively efficient process to assess BSC performance;
- 1.1.5 Provide a fair and reasonable basis for determining the amount of fee earned; and
- 1.1.6 Create a process that ensures BSC work efforts are executed in a manner that provides high value and high quality deliverables to OCRWM.

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1.2 Definitions

- 1.2.1 Award Fee. The subjective fee component of Performance Fee.
- 1.2.2 Expected Performance Level. Meets agreed upon requirements and performance objectives.
- 1.2.3 Fee Determination Official. The final authority in determination of fee awarded to BSC with the concurrence of RW-1 (per Program Manual DOE/RW-0555) prior to final fee determination.
- 1.2.4 Multi-year Incentive. An incentive designed to establish performance objectives and measures beyond one fiscal year or evaluation period.
- 1.2.5 Office of Civilian Radioactive Waste Management (OCRWM). OCRWM is a headquarters organization.
- 1.2.6 Performance Evaluation Board. For the purpose of this PEMP, designated OCRWM senior managers are chartered with recommending BSC earned fee to the Fee Determination Official (FDO).
- 1.2.7 Performance Evaluation and Measurement Plan. A plan that defines an approach in evaluating, documenting, and providing performance fee against specified Performance Based Incentives and Award Fee Incentives.
- 1.2.8 Performance Evaluation Period. The two specific periods for which the Performance Evaluation Board evaluates BSC's overall performance: April 1 through September 30; October 1 through March 31.
- 1.2.9 Performance Fee. That portion of the total available fee which is tied exclusively to the contractor's performance of the contract. The performance fee amount will consist of an incentive fee component for objective performance requirements and an award fee component for subjective performance requirements, or both.
- 1.2.10 Performance Incentive. A performance incentive represents a reward or consequences that may be employed to motivate a contractor to achieve baseline or higher levels of performance of a requirement. In most instances, the incentive represents an amount of fee tied to the accomplishment of a performance objective.
- 1.2.11 Performance Measure. The quantitative method for characterizing performance.
- 1.2.12 Performance Monitor. Designated by the Performance Evaluation Board as responsible individuals monitoring and evaluating the contractor's performance.

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1.2.13 Performance Objective. A statement of desired results from an organization or activity.

1.2.14 Provisional Payment of Fee. Any payments paid on a provisional basis may be reclaimed.

1.2.15 Special Emphasis Area. An area that is extremely important to DOE and OCRWM.

1.2.16 Work Authorization Directive (WAD). The execution year baseline that serves as the agreement between BSC and OCRWM to perform a specific scope of work.

1.3 Fee Concept

Performance-based management contracting principles emphasize results-oriented work statements, and performance objectives and measures to incentivize contractors to achieve excellent performance. OCRWM implements performance-based management contracting principles through processes associated with *Strategic Planning, Budget Formulation, Budget Execution, and Performance Evaluation*. These processes, defined in the “Annual Work Plan”, consist of strategic planning, developing performance objectives, defining work scope through the Work Authorization Directives (WADs) process, and evaluating results.

BSC is responsible for the overall planning, managing and integration of all work activities and products, designing, constructing and operating a first-of-a-kind facility to permanently dispose of spent nuclear fuel and high-level radioactive waste. Because of the nature of this work, OCRWM utilizes performance fee to incentivize and reward BSC for performance. Performance fee consists of two components: an incentive fee component which provides management focus and emphasis on OCRWM’s critical few program objectives and an award fee component which provides management focus on all other aspects of BSC’s performance such as overall program, current importance to the overall performance of the contract, their potential for being problem areas, and/or current degree of concern for performance.

1.3.1 Performance-Based Incentive (PBI)

The PBI performance measures and fee measures are delineated in Attachment 1 of this PEMP. Emphasis will be placed on development of objective incentives based on definition of the desired outcome (the “what”) and expect the contractor to compliantly and safely determine “how” the work is performed to achieve the desired outcome within the established funding constraints. These incentives are identified as PBIs and typically carry more performance risk and higher fee earning opportunities.

1.3.2 Award Fee Special Emphasis Area (SEA) Incentives

The SEA performance objectives and measures are delineated in Attachment 1 of the

**DOE OCRWM PERFORMANCE EVALUATION AND MEASUREMENT PLAN
BECHTEL SAIC COMPANY, LLC – CONTRACT DE-AC28-01RW12101**

PEMP. In certain instances, the contractor must provide support and/or deliverables that are required to accomplish the project objectives but are not objectively measurable in all cases. These efforts are therefore measured subjectively under incentives identified as SEAs and typically carry reduced performance risk and moderate fee earning opportunities and the FDO may use discretionary factors in determining fee. Consideration will also be given to complete and accurate technical information/products delivered in mutually agreed time frames that meet all applicable codes, standards, rules, regulations and orders.

B. REFERENCES. U.S. Department of Energy Office of Civilian Radioactive Waste Management Contract with BSC for Management and Operating Support for the Office of Civilian Radioactive Waste Management; Contract DE-AC28-01RW12101.

C. ORGANIZATIONAL STRUCTURE FOR PERFORMANCE FEE

ADMINISTRATION. The effectiveness of this PEMP requires the establishment of a close working relationship between DOE-OCRWM, and BSC because all entities are responsible for successful implementation of the plan and successful completion of OCRWM's significant management and program objectives. The roles and responsibilities of the key personnel are as follows:

2.1 DOE/HQ

Office of Contract Management (MA-62)

- Reviews and approves PEMP.

2.2 OCRWM

2.2.1 Office of Civilian Radioactive Waste Management (OCRWM)

- Provides oversight of the performance fee administration process.
- Provides program management and planning objectives.

2.2.2 Director, Office of Project Controls (OPC)

- The Head of Contracting Authority (HCA) and serves as FDO.
- Formally charters the Performance Evaluation Board (PEB) to ensure senior management involvement and accountability.
- Provides recommended PEMP to DOE/HQ MA-62 for approval.
- Obtain RW-1 concurrence prior to final Fee Determination.

2.2.3 Director, Office of Procurement

- Serves as Chair of the PEB.
- Initiates meetings for development of performance objectives.

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BECHTEL SAIC COMPANY, LLC – CONTRACT DE-AC28-01RW12101**

- Develops meeting agendas as appropriate.
- Prioritizes proposed performance objectives.
- Solicits additional information when necessary.
- Forwards draft to the RW-1 for review/approval.
- Resolves OCRWM comments.
- Recommends HCA forward draft performance objectives/measures to HQs Procurement for approval.
- Resolves HQs Procurement comments.
- Provides draft to the contractor for review/comments.
- Resolves contractor comments.
- Ensures a unilateral plan 30 days prior to the start of the performance period.
- Documents decisions of the group via appointed scribe.
- Reviews draft evaluation report.
- Coordinates changes with PMs.
- Reviews report for a second time to ensure DOE responses to contractor's comments to draft report for factual accuracy.
- Coordinates with FDO during PEMP evaluation and fee recommendation.
- Provide fee recommendation to the FDO.

2.2.4 Performance Evaluation Board

- Accountable for final selection and approval of contract-specific performance-based and award fee incentives
- Assigns responsibilities to Performance Monitors (PMs) to monitor and evaluate completion of performance against objectives and measures for PBIs and SEAs.
- Provides input, reviews, and concurs on the PEMP.
- Reviews BSC performance at the end of the evaluation period and upon completion of key milestones.
- Evaluates BSC performance and recommends earned fee to the FDO.

2.2.5 Performance Evaluation Board Members/Performance Monitors

- Attend all meetings unless formally excused by the Chair (the Office Directors, or a senior designee from their organization, will represent the membership of the PEB. Meetings will not be held without a quorum).
- Actively participate in meetings.
- Assure all program activities are represented.
- Accountable for finalizing performance objectives/measures.
- Monitor and evaluate completion of performance objectives.
- Provides input, review, and concur on performance objectives.
- Provides independent assessment of BSC performance and recommend earned fee to the Fee Determination Official.

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- Validate and document completion of PBI and SEA performance objectives and measures.
- Elevate recommendations, issues or concerns to the Chair.
- Reviews and considers BSC self-assessments in recommending fee.

2.2.6 Contracting Officer

- Transmits the PEMP to the contractor.
- Provides input, reviews, and concurs on the PEMP PBI and SEA objectives and measures to achieve OCRWM's management and program requirements.
- Determines the completion and achievement of the performance objectives and measures.
- Approves changes to the PEMP.

2.2.7 Office of Procurement

- Issues call letters for input in the development of the PEMP.
- Submits draft PEMP to PMs and BSC for review and comment.
- Consolidates, coordinates, and incorporates comments to the PEMP.
- Obtains appropriate concurrence and approvals of the PEMP.
- Issues call letter to PMs for input to BSC performance evaluation report.
- Coordinates evaluations of BSC's performance with the PEB.
- Consolidates input from OCRWM PMs.
- Coordinates training for participants in the performance fee process.

In the absence of the FDO, the individual acting in the same official capacity will assume the function of FDO. In the absence of a board member, another person having similar qualifications may be substituted.

2.3 BSC

General Manager

- Collaborates with OCRWM management to establish a working relationship that enables production of high value deliverables.
- Supports the development of the PEMP and enhances the process through the sharing of best practices and lessons learned.
- Responsible for the achievement of performance objectives and measures.
- Provides self-assessments of performance against PBI and SEA performance objectives and measures to the PEB.

D. METHOD FOR DETERMINING PERFORMANCE FEE

a. Communication with BSC during the Evaluation Period

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One important consideration for evaluation will be discussions between the Performance Monitor (PM) and their BSC counterpart. It is a management expectation that PMs meet with their BSC counterpart at least monthly to review, discuss, and provide interface on BSC's performance against the performance-based and award fee incentives and overall contract performance.

Regular communication with BSC at the PM level will contribute to the success of the fee process. PM should discuss performance which may not currently meet performance objectives and measures, and thereby keep BSC informed as to achievements and deficiencies that may appear in the final evaluation for the period. OCRWM has re-establish the OCRWM Monthly Project Review that provides interface between OCRWM and BSC.

b. BSC Self Assessment

BSC shall provide the OCRWM Contracting Officer with a self-assessment within ten (10) working days upon completion of a PBI and after the end of an award fee evaluation period. BSC must also provide three (3) hard copies and an electronic copy of its self-assessment of performance to OCRWM Office of Procurement for distribution to OCRWM Performance Monitors.

BSC shall use the project control system to measure progress in meeting deliverables within cost, schedule and scope, including meeting the specified acceptance criteria. BSC shall identify issues potentially affecting the completion of individual PBIs and SEAs and the overall success of the program, and actions taken or recommended to resolve those issues. BSC's self-assessment shall propose and justify the amount of performance based incentive and award fee earned, and include a discussion of fee reductions warranted by any failure to meet performance expectation. In the event the contractor self-discloses a situation that falls within the support of a special emphasis area, and appropriately self-corrects the situation in a timely manner, fee reduction may be waived by the CO. The timeliness and effectiveness of the contractor's corrective action may also mitigate fee reductions for deficiencies identified by OCRWM or other regulatory entities.

c. OCRWM Assessment

OCRWM Performance Monitors shall prepare and submit to OCRWM Office of Procurement, an independent assessment of BSC's performance within 20 calendar days upon LP-7.5Q-OCRWM acceptance of a PBI and after the end of an award fee evaluation period. The OCRWM Performance Monitor shall consider BSC's input with respect to completing the PBI and SEA performance criteria and with respect to the quality. Where significant disagreement exists between BSC's self assessment and OCRWM's assessment, the responsible OCRWM Performance Monitor shall raise such disagreements to the PEB for resolution. BSC may be requested to attend a Board meeting to assure their view is understood.

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OCRWM Performance Monitors shall also consider the additional input received during monthly operating reviews. Such reviews will enable Program-wide understanding of progress, an integrated assessment of impacts, and the identification of corrective actions. Assessments shall also document the rationale for any reduction in the amount of award fee earned.

OCRWM Office of Procurement will consolidate OCRWM Performance Monitor Evaluation Reports and submit a written evaluation report to the PEB members for approval.

d. Performance Evaluation Process – Not Applicable to Option Year 2

Except as provided for in the specific PBI, the following steps apply:

1. Within ten (10) working days upon completion of a PBI, and after the end of an award evaluation period, BSC shall provide the OCRWM Contracting Officer with a self-assessment. The self-assessment provided shall provide an assessment of their performance in the completion of a PBI and award fee performance objectives and measures. The contractor will provide three (3) hard copies, and an electronic copy, of its self-assessment of performance to OCRWM Contracting Officer for distribution to OCRWM Performance Monitors.
2. Within twenty (20) calendar days upon LP-7.5Q-OCRWM acceptance of a PBI and after the end of an award fee evaluation period, OCRWM Performance Monitors will prepare and submit an independent assessment of BSC's performance, with respect to quality and schedule, against the performance objectives and measures to OCRWM Office of Procurement for consolidation. The OCRWM Performance Monitor shall consider BSC's input with respect to payments of fee. Where significant disagreement exists between BSC's self assessment and OCRWM's assessment, the responsible Performance Monitor shall raise such disagreements to the PEB for resolution. BSC may be requested to attend a Board meeting to assure their view is understood.

The OCRWM assessment must be submitted on the Performance Monitor Evaluation Report form, Attachment 2 of the Plan, and will only be accepted by the OCRWM Office of Procurement upon the approval of the OCRWM Performance Monitor.

3. Within approximately thirty (30) calendar days upon LP-7.5Q-OCRWM acceptance of a PBI and after the end of an award fee evaluation period, OCRWM Office of Procurement will consolidate Performance Monitor Evaluation Reports and submit to the PEB members for review.
4. Within approximately sixty (60) calendar days upon LP-7.5Q-OCRWM acceptance of a PBI and after the end of an award fee evaluation period, the PEB will review, validate, and prepare an evaluation report and submit a fee recommendation to the FDO.

DOE OCRWM PERFORMANCE EVALUATION AND MEASUREMENT PLAN BECHTEL SAIC COMPANY, LLC – CONTRACT DE-AC28-01RW12101

5. Within seventy (70) calendar days upon LP-7.5Q-OCRWM acceptance of a PBI and after the end of an award fee evaluation period or 60 calendar days after receipt of contractor's self-assessment for award fee (whichever is later), the FDO will make a determination of the fee earned.

Figure 1 is a flowchart that illustrates the entire process.

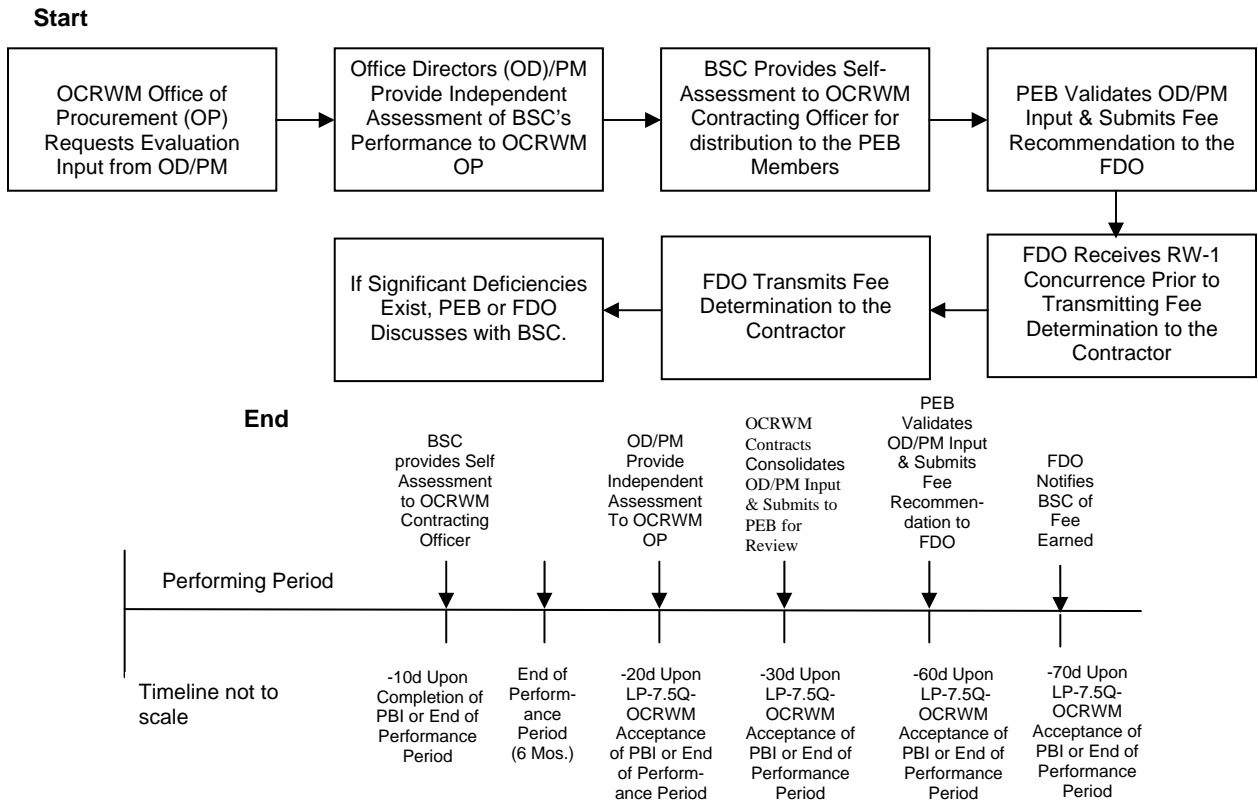


Figure 1, Flowchart and Time Line of Fee Process

e. Evaluation and Discussion Documentation

Where meetings or discussions are held by the PM (with BSC, HQ, or others) that significantly impact award fee evaluations, it is necessary that appropriate documentation be created. This documentation can be in the form of signed and dated notes, minutes, or correspondence. Copies of the PM documentation should be maintained by the PM in support of the Performance Evaluation Report.

Rationale for fee payments will be documented by the Performance Evaluation Board and the fee determination official. The final PEB Fee Recommendation and FDO Fee Determination reports along with supporting rationale will be maintained by the OCRWM Office of Procurement organization in the official “contract file”.

E. PEB INVOLVEMENT IN FINAL EVALUATIONS

The PEB is responsible for reviewing the Performance Evaluation Reports and developing a Fee Recommendation Report to the FDO. The Chair, PEB, will provide updates and feedback

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to the FDO prior to receiving the PEB's final signed fee recommendation report.

As directed by the FDO, and especially if significant deficiencies exist, the Fee Recommendation Report is discussed with BSC General Manager by the PEB, individual board members, and/or the FDO. Because the Fee Recommendation Report is pre-decisional, its contents will not be formally provided to BSC.

F. FDO RESPONSIBILITIES IN FINAL EVALUATIONS

The FDO may meet with BSC, as appropriate, during the process of developing his/her evaluation position. Based on the FDO's personal knowledge, the information contained in BSC's self-assessment, the PEB Fee Recommendation Report, and/or other information relating to BSC's performance of the contract requirements, the FDO develops a determination on the evaluation and award fee. The FDO briefs the OCRWM Director and obtains the concurrence of the OCRWM Director. Where there are significant concerns with BSC's overall performance, the FDO will notify the HQ Procurement Executive.

Following OCRWM Director's receipt of concurrence(s), the FDO issues a Fee Determination letter of award fee earned to BSC.

G. METHOD FOR CHANGING PLAN COVERAGE

Proposed changes to the PBIs and SEAs may be initiated by OCRWM or BSC. PBI changes will be made through the formal change control board process and contract modification. SEA changes will be made through the PEMP. Proposed changes to the SEAs may be initiated on the official PEMP Change Form (Attachment 4), this form is also available on the Automated Forms System, by either OCRWM or BSC. The PEB will review and concur on proposed SEA changes prior to any changes being made to the PEMP.

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ATTACHMENT 1 – Not Applicable to Option Year 2

**SPECIAL EMPHASIS AREA
OVERALL GRADES & ASSOCIATED PERCENTAGES OF EARNED FEE**

- A. Outstanding: Performance substantially exceeded expected levels of performance against award fee criteria identified in the PEMP. All other requirements, not specifically addressed in this PEMP, were performed at or above minimum acceptable levels. (Percent Fee Range: 95 to 100%)
- B. Good: Performance generally exceeded expected levels of performance against award fee criteria identified in the PEMP and with rare exception, other contract requirements, not specifically addressed in this PEMP, were performed at or above minimum acceptable levels. (Percent Fee Range: 75 to 94.9%)
- C. Satisfactory: Performance generally met expected levels of performance against award fee criteria identified in the PEMP. Generally other contract requirements, not specifically addressed in this PEMP, were performed at or above minimum acceptable levels. (Percent Fee Range: 45 to 74.9%)
- D. Unsatisfactory: Performance against award fee criteria identified in the PEMP was either generally unacceptable or unacceptable for the majority of the specific objectives. Actual or potential negative impacts on mission capabilities resulted or could result from performance. (Percent Fee: 0%)

Award Fee: The period of performance is April 1, 2007 through March 31, 2008. The total available fee for this period is \$29,100,000. The total available fee is placed on one Performance Based Incentive for the period April 1, 2007 through March 31, 2008. There are no Award Fee Special Emphasis Areas identified for this period.

To be minimally acceptable, all contractor formal products by contract, DOE Order, regulation, procedure, plan, or DOE written direction shall be complete, accurate, and on schedule. Requirements shall clearly flow down and be transparent within the product and ensure compliance with ES&H and QA requirements. Evidence of unsatisfactory performance on the part of the contractor is: (1) any technical errors or omissions in contractor developed products, (2) any performance not completed by COB on the date scheduled, and (3) non-compliance with designated Completion Criteria.

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AWARD FEE SPECIAL EMPHASIS AREAS

SPECIAL EMPHASIS AREAS	VALUE	PERFORMANCE MONITOR
No Award Fee Special Emphasis Areas are identified for the period April 1, 2007 through March 31, 2008.	n/a	n/a

PERFORMANCE BASED INCENTIVES

PERFORMANCE BASED INCENTIVES	VALUE	PERFORMANCE MONITOR
PBI 1 – Deliver License Application (LA) and all required supporting information	\$29,100,000	Mark Williams/Robert Warther/Paul Harrington/Russell J. Dyer

PERFORMANCE BASED INCENTIVE (PBI) NO. 1

Deliver License Application (LA) and all required supporting information.

Period of Performance: April 1, 2007 through March 31, 2008

Total PBI Fee Available: \$ 29,100,000

	<u>Incentive Fee</u>		
	<u>Earned</u>	<u>Provisional</u>	<u>Total Available</u>
Milestone (a):	\$ 2,560,000	\$ 3,840,000	= \$ 6,400,000
Milestone (b):	\$ 4,320,000	\$ 6,480,000	= \$10,800,000
Milestone (c):	\$ 4,760,000	\$ 7,140,000	= \$11,900,000
	\$11,640,000	\$17,460,000	= \$29,100,000

Schedule:

- Milestone (a): On or before May 31, 2007
- Milestone (b): On or before October 31, 2007
- Milestone (c): On or before February 29, 2008

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Contractor Requirements:

In order to submit a License Application to the NRC, requirements set forth in the Nuclear Waste Policy Act and 10 CFR Part 63 must be met and NUREG 1804 must be addressed. All BSC work associated with Certification of the Licensing Support Network (LSN) under Contractor's control shall be completed at least 90 calendar days before DOE's schedule to certify the LSN. LA Project work shall be performed in accordance with the DOE approved LA Project Conceptual Design-1 (CD-1) dated February 20, 2007, including the *Management Plan for Development of the Yucca Mountain License Application* (LAMP), and all LA Project CD-1 revisions approved by DOE.

Performance Objectives:

1. Under Milestone (a) Contractor shall deliver the following:
 - 2 LA Sections at the 100% level,
 - 27 LA Sections at least at the 90% level,
 - 39 LA Sections at least at the 50% level, and
 - 3 LA Sections at least at the 20% level.71 Total LA Sections
2. Under Milestone (b), Contractor shall deliver the following:
 - 21 LA Sections at least at the 100% level,
 - 42 LA Sections at least at the 90% level, and
 - 8 LA Sections at least at the 50% level.71 Total LA Sections
3. Under Milestone (c), Contractor shall deliver the following:
 - All 71 LA Sections at the 100% level.

LA Sections Percent Complete Definitions:

The LA Sections percent complete shall be determined as stated below, consistent with the LAMP in effect at the time of the relevant period.

100% Level

Final Delivery of each LA Section is complete upon Contractor's President written certification as set forth in the LAMP prior to delivery to DOE. Additionally, Contractor's President shall provide written certification of completion upon delivery of all 71 LA Sections.

90% Level

Final Draft ready for detailed review and subsequent punch list determination for final delivery including:

- Identification and proposed approach for any new major issues or NRC issues that have emerged,
- Confirmation that text from interim draft remains consistent,

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- Confirmation that DOE Legal comments are addressed,
- Concurrence of the applicable DOE LA Group Lead as documented on the LA Development and Review Project Team Matrix posted on the LA database on date of concurrence and identification and explanation of differences of opinion, if any.

50% Level

Interim Draft that provides LA Section text (or placeholders identified where LA Section supporting products are not sufficiently complete) that incorporates resolution of issues from Storyboard Draft including initial technical data, figures and tables subject to availability of draft supporting products to address:

- Disposition and status of major issues and identified NRC issues,
- DOE Legal comments
- Concurrence of the applicable DOE LA Group Lead as documented on the LA Development Review Project Team Matrix posted on the LA database on date of concurrence and identification and explanation of differences of opinion, if any.

20% Level

Storyboard Draft that outlines new material and material previously established with changes annotated based on the approach defined in the applicable LA Conceptual Design Report for each LA Section including placeholders for technical data, figures and tables. Major issues affecting the LA strategy shall be identified (use of briefing materials is permissible) including licensing risk (with mitigation strategy) and unresolved issues of interest to the NRC with path forward description.

Incentive Fee Metrics:

1. Milestone (a):
 - \$ 2,560,000 incentive fee is earned and \$ 3,840,000 incentive fee is provisionally earned upon DOE acceptance of the LA Sections delivered as required under Milestone (a).
 - Unearned incentive fee, if any, will be carried forward into their respective categories (earned/provisional) and become additional available incentive fee under metric 2 below. Unearned incentive fee will become earned and provisionally earned fee upon delivery of all LA Sections required under Milestone (a) and accepted by DOE.
2. Milestone (b):
 - \$4,320,000 incentive fee is earned and \$6,480,000 incentive fee is provisionally earned upon DOE acceptance of the LA Sections as required under Milestone (b).
 - Unearned incentive fee, if any, will be carried forward into their respective categories (earned/provisional) and become additional available incentive fee under metric 3 below. Unearned incentive fee will become earned and provisionally earned fee upon delivery of all LA Sections required under Milestone (b) and accepted by DOE.

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3. Milestone (c):

- \$4,760,000 incentive fee is earned and \$7,140,000 incentive fee is provisionally earned upon DOE acceptance of the LA Sections delivered as required under Milestone (c).

In the event all 71 LA Sections are delivered at 100% level after February 29, 2008, the total available fee (\$29,100,000) will be reduced by \$150,000 per calendar day until March 31, 2008. On April 1, 2008 the total fee earned will be reduced by \$6,000,000 and will continue to be reduced by \$230,000 per calendar day beginning April 2, 2008, until delivery and acceptance of all 71 LA Sections at the 100% level or the total fee value becomes \$11,640,000. This remaining fee is not subject to further downward adjustment under this PBI and is earned fee. Figure 1 hereto provides a chart depicting the foregoing fee determination.

LA Docketed By NRC:

Earned incentive fee and all provisional fee are payable upon acceptance of LA work products by DOE. If the LA is not docketed by the Nuclear Regulatory Commission (NRC) 7 months from date of submittal by DOE to NRC, DOE will determine the reason. If DOE concludes that Contractor is not responsible, the provisional fee will be earned. However, in the event that DOE determines that Contractor is responsible for a material impact causing the LA not to be docketed, such as failure to comply with the Contractor Requirements herein, the provisional fee will not be earned. Impact to the LA as a result of issues beyond the control or influence of Contractor shall not be considered Contractor's responsibility.

Completion Criteria:

1. Contractor shall deliver all 71 LA Sections as required above. Individual LA Sections are *delivered* when the signature of the applicable DOE LA Group Lead, as identified on the LA Development and Review Project Matrix posted on the LA database, has been obtained and the LA Section is posted on the LA database. Individual LA Sections are *accepted* upon the date of signature by Contracting Officer's Representative.
2. Contractor shall demonstrate that the extent of external interface requirements (work activities, milestones and deliverables) included in the LA Project CD-1 Product Baseline and Performance Baseline have been satisfactorily completed, subsequently integrated, and that a variance analysis is complete for the products not meeting Product and Performance Baselines' objectives. For negative variances, Contractor shall identify and implement mitigation and remedial actions required to improve performance to meet project requirements and shall include progress and status with required Project reporting.
3. Contractor shall report progress by submittal of bi-weekly and monthly LA Project Reports that demonstrate actual project performance of the project against the Performance Baseline.

Government Furnished Services and Items (GFS/I):

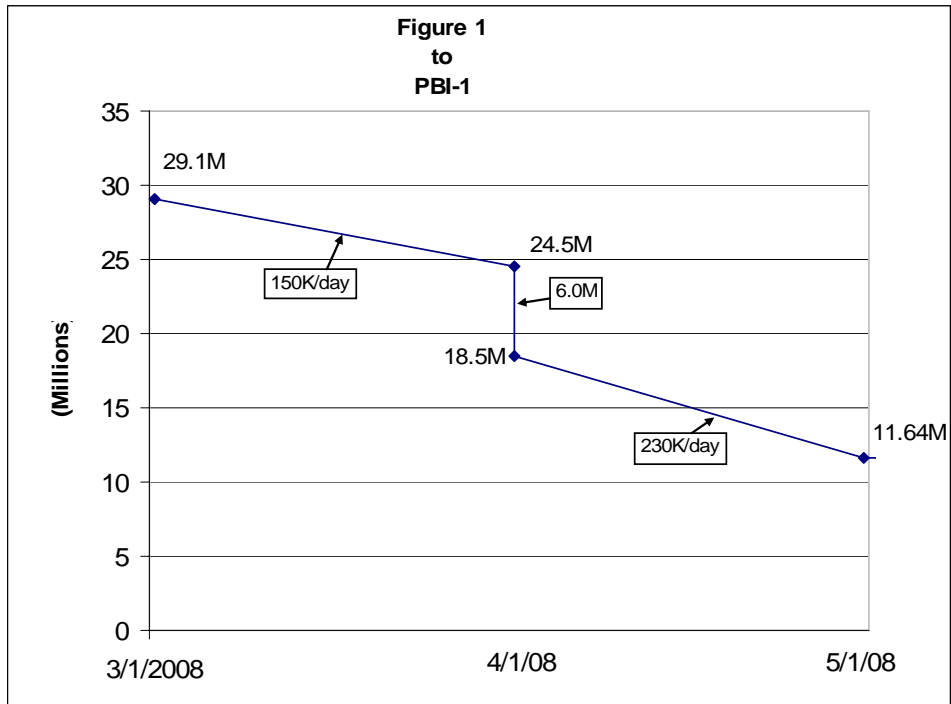
GFS/I includes DOE and SNL LA Section members (including Group Leads), and LA Senior Management Team availability (excluding BSC personnel). DOE will accept or reject Contractor

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products within 30 calendar days of delivery to DOE.

Either party may request renegotiation of this PBI if there is a material change to the FY'08 budget that substantially impacts the performance milestones set forth by this PBI.

DOE intends to submit the LA to NRC no later than June 30, 2008.



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ATTACHMENT 2

FORMAT

PERFORMANCE MONITOR EVALUATION REPORT

I. EVALUATION PERIOD: _____

II. DOE PERFORMANCE MONITOR:

Signature: _____ Date: _____

III. PERFORMANCE BASED INCENTIVIES (PBI) EVALUATIONS:

PBI # _____ **Recommended Fee Earned** _____

Discussion:

**IV. EVALUATION OF AWARD FEE SPECIAL EMPHASIS AREAS: Not applicable to
Option Year 2**

SEA # _____ **Adjective Rating** _____

Discussion:

Discussion summaries should describe the method used to evaluate timeliness, quality and completion of performance objectives/measures; clarifying remarks regarding the timeliness and sufficiency of the products/activities against defined performance objectives/measures; identification of significant deviations; rationale for recommended fee payment/rating (if necessary, provide computations); and mitigating factors, if any, that were considered in determining the amount of fee.

Areas to consider:

1. Contractor monthly performance indicator results including positive or negative trends.
2. Management reviews and reports including the new monthly reviews.
3. Contractor's self-assessment report.
4. DOE independent and program assessments.
5. Issues and corrective action of issues

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ATTACHMENT 3

FEE DETERMINATION OFFICIAL

Director, Office of Project Controls

**PERFORMANCE EVALUATION BOARD
MEMBERSHIP**

Director, Office of Procurement – Chair

Principal Deputy Director – Member

Director, Office of Quality Assurance – Member

Director, Office of the Chief Engineer – Member

Director, Regulatory Authority Office – Member

Director, Infrastructure Management Office – Member

Director, Yucca Mountain Site Operations Office – Member

Director, Waste Management Office – Member

Director, Office of Logistics Management – Member

Director, Disposal Operations Office – Member

Director, Office of Project Controls – Member

Director, Office of Government Services – Member

Director, Office of the Chief Scientist - Member

Director, Office of External Affairs - Member

Contracting Officer – Member

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ATTACHMENT 4

OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT PERFORMANCE EVALUATION AND MEASUREMENT PLAN CHANGE REQUEST			QA: Page of
1. Initiator of Change Request:		2. Office Symbol:	3. Phone No:
4. Current Version of PEMP:	a. Revision No:	b. Change No:	5. Date of Request:
6. Reason for Request:			
7. Authority for Change: a. Technical Direction Letter <input type="checkbox"/> b. Contracting Officer Letter <input type="checkbox"/> c. Baseline Change Proposal <input type="checkbox"/> d. Other <input type="checkbox"/>		e. Explain reason for change here, if necessary: (required for Other)	
8. Section No. in PEMP of Change:			
9. Exact Wording: (rewrite the section with changes identified)			
10. Request Disposition: a. Accepted, Change Implemented <input type="checkbox"/> b. Accepted with Changes <input type="checkbox"/> c. Rejected <input type="checkbox"/> d. Other <input type="checkbox"/>		11. Comments: (including changes made, rejection reason, or other)	
12. Approved By:	13. Effective Date:	14. New PEMP Rev No/Change No.: a. Rev No: b. Change No.:	

1137 (Rev. 02/28/2005)